



NATIONAL CREDIT UNION ADMINISTRATION

Privacy Act of 1974: Systems of Records

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice of a new system of records.

SUMMARY: Pursuant to the Privacy Act of 1974, the National Credit Union Administration (NCUA) gives notice of a new Privacy Act system of records. The new system is NCUA-26, Prospective Official Application Records. The Federal Credit Union Act requires that the NCUA investigate the general character and fitness of the management and officials of a proposed federal credit union or proposed federally insured state-chartered credit union. This system will include information that the NCUA collects and maintains to meet these requirements of the Federal Credit Union Act. Information is collected directly from the individual with their consent.

DATES: Submit comments on or before [Insert date 30 days from publication in the *FEDERAL REGISTER*]. This system will be effective immediately, and routine uses will be effective on [Insert date 30 days from publication in the *FEDERAL REGISTER*].

ADDRESSES: You may submit comments by any of the following methods, but please send comments by one method only:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- NCUA Website:
http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html. Follow the instructions for submitting comments.
- Fax: (703) 518–6319. Use the subject line described above for email.

- Mail: Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

- Hand Delivery/Courier: Same as mail address.

FOR FURTHER INFORMATION CONTACT: Jennifer Chemel, Attorney-Advisor, Office of General Counsel, the National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia, 22314.

SUPPLEMENTARY INFORMATION: This notice informs the public of the NCUA's proposal to establish and maintain a new system of records in accordance with the Privacy Act of 1974. The proposed system of records covers the NCUA's collection and maintenance of records on applications for proposed federal and federally insured state-chartered credit union officials and employees. The Federal Credit Union Act requires that the NCUA investigate the general character and fitness of officials and senior management of proposed federal credit unions and proposed federally insured state-chartered credit unions. The Federal Credit Union Act defines management of a federal credit union as the proposed credit union's board of directors, credit committee, and supervisory committee. Senior management official is defined as a chief executive officer, an assistant chief executive officer, a chief financial officer, and any other senior executive officer. NCUA's Office of Credit Union Resources and Expansion (CURE) manages the credit union charter process and performs these general investigations with the assistance of the NCUA's Office of Continuity and Security Management.

The format of NCUA-26 aligns with the guidance set forth in Office of Management and Budget (OMB) Circular A-108.

By the National Credit Union Administration Board on April 10, 2023.

Melane Conyers-Ausbrooks,

Secretary of the Board.

SYSTEM NAME AND NUMBER: NCUA-26, Prospective Official Application Records.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428.

SYSTEM MANAGER(S): Director, Office of Credit Union Resources and Expansion, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: 12 U.S.C. 1754 and 12 CFR Part 701.

PURPOSE(S) OF THE SYSTEM: The NCUA uses information maintained in this system to carry out its statutory and other regulatory responsibilities, including evaluating the general character and fitness of prospective officials and employees of proposed federal credit unions and proposed federally insured state-chartered credit unions, and evaluating that applicants have requisite skills and commitment to dedicate time and effort to operate a successful credit union.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals, such as prospective officials and employees, or other persons who are subject to background checks designed to evaluate the general character and fitness bearing on the

individual's fitness to be an official or employee of a proposed federal credit union or a proposed federally insured state-chartered credit union.

CATEGORIES OF RECORDS IN THE SYSTEM: Records in the system include name, contact information, date of birth, and Social Security numbers of individuals proposed as either officials or management employees of proposed federal credit unions or proposed federally insured state-chartered credit unions. Records may also include interagency or intra-agency correspondence or memoranda; suspicious activity reports; federal, state, or local criminal law enforcement agency investigatory reports, indictments and/or arrest and conviction information; reporting agency credit reports; adverse credit records (e.g., bankruptcies, liens, judgments); administrative enforcement orders or agreements. Records also include actions taken by the NCUA in connection with these proposals.

RECORD SOURCE CATEGORIES: The information in the system is obtained from individuals named in notices filed pursuant to 12 CFR 701 Appendix B, federal or state financial regulatory agencies, criminal law enforcement authorities, credit bureaus, and NCUA personnel.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, these records or information contained therein may specifically be disclosed outside the NCUA as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

1. A record from a system of records may be disclosed as a routine use to third parties to the extent necessary to obtain information that is relevant to an investigation of an individual's general character and fitness;
2. If a record in a system of records indicates a violation or potential violation of civil or criminal law or a regulation, and whether arising by general statute or

particular program statute, or by regulation, rule, or order, the relevant records in the system or records may be disclosed as a routine use to the appropriate agency, whether federal, state, local, or foreign, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto;

3. A record from a system of records may be disclosed as a routine use to a member of Congress or to a congressional staff member in response to an inquiry from the congressional office made at the request of the individual about whom the record is maintained;
4. Records in a system of records may be disclosed as a routine use to the Department of Justice, when: (a) NCUA, or any of its components or employees acting in their official capacities, is a party to litigation; or (b) Any employee of NCUA in his or her individual capacity is a party to litigation and where the Department of Justice has agreed to represent the employee; or (c) The United States is a party in litigation, where NCUA determines that litigation is likely to affect the agency or any of its components, is a party to litigation or has an interest in such litigation, and NCUA determines that use of such records is relevant and necessary to the litigation;
5. Records in a system of records may be disclosed as a routine use in a proceeding before a court or adjudicative body before which NCUA is authorized to appear (a) when NCUA or any of its components or employees are acting in their official capacities; (b) where NCUA or any employee of NCUA in his or her individual capacity has agreed to represent the employee; or (c) where NCUA determines that litigation is likely to affect the agency or any of its components, is a party to litigation or has an interest in such litigation, and NCUA determines that use of such records is relevant and necessary to the litigation;

6. A record from a system of records may be disclosed as a routine use to contractors, experts, consultants, and the agents thereof, and others performing or working on a contract, service, cooperative agreement, or other assignment for NCUA when necessary to accomplish an agency function or administer an employee benefit program. Individuals provided information under this routine use are subject to the same Privacy Act requirements and limitations on disclosure as are applicable to NCUA employees;
7. A record from a system of records may be disclosed to appropriate agencies, entities, and persons when (1) NCUA suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (2) NCUA has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by NCUA or another agency or entity) that rely upon the compromised information; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with NCUA's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm; and
8. To another Federal agency or Federal entity, when the NCUA determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Electronic records and backups are stored on secure servers, approved by NCUA's Office of the Chief Information Officer (OCIO), within a FedRAMP-authorized commercial Cloud Service Provider's (CSP) Software-as-a-Service solution hosting environment and accessed only by authorized personnel.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Records may be retrieved by the name of an individual covered by the system.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF

RECORDS: Records are maintained and disposed in accordance with the General Records Retention Schedules issued by the National Archives and Records Administration (NARA) or an NCUA records disposition schedule approved by NARA.

ADMINISTRATIVE, TECHNICAL AND PHYSICAL SAFEGUARDS: NCUA has implemented the appropriate administrative, technical, and physical controls in accordance with the Federal Information Security Modernization Act of 2014, Pub. L. 113-283, S. 2521, and NCUA's information security policies to protect the confidentiality, integrity, and availability of the information system and the information contained therein. Access is limited only to individuals authorized through NIST-compliant Identity, Credential, and Access Management policies and procedures. The records are maintained behind a layered defensive posture consistent with all applicable federal laws and regulations, including OMB Circular A-130 and NIST Special Publication 800-37.

RECORD ACCESS PROCEDURES: Individuals wishing access to their records should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.

3. The address to which the record information should be sent.
4. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf.

Individuals requesting access must also comply with NCUA's Privacy Act regulations regarding verification of identity and access to records (12 CFR 792.55).

CONTESTING RECORD PROCEDURES: Individuals wishing to request an amendment to their records should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.
3. A statement specifying the changes to be made in the records and the justification therefore.
4. The address to which the response should be sent.
5. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf.

NOTIFICATION PROCEDURES: Individuals wishing to learn whether this system of records contains information about them should submit a written request to the Senior Agency Official for Privacy, NCUA, 1775 Duke Street, Alexandria, VA 22314, and provide the following information:

1. Full name.
2. Any available information regarding the type of record involved.
3. The address to which the record information should be sent.
4. You must sign your request.

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for the representative to act on their behalf.

Individuals requesting access must also comply with NCUA's Privacy Act regulations regarding verification of identity and access to records (12 CFR 792.55).

EXEMPTIONS PROMULGATED FOR THE SYSTEM: Federal criminal law enforcement investigatory reports maintained as part of this system may be subject of exemptions imposed by the originating agency pursuant to 5 U.S.C. 552a(j)(2).

HISTORY: This is a new system.

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